



State Council of Higher Education for Virginia

Higher Education Restructuring

House Appropriations Committee Retreat

November 13, 2007

Jim Alessio

Director for Higher Education Restructuring

SCHEV



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Interrelated Elements of Restructuring Act

Six-Year
Academic and
Financial Plan

Performance
Standards

SCHEV
Statewide
Strategic Plan



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Institutional Performance Standards

1. Institution meets 95% of its in-state enrollment targets
 2. Enrollment of under-represented populations
 3. Institution meets 95% of its projected degree awards
 4. *Affordability measure
 5. Average need-based borrowing and percentage of need-based borrowing
 6. *Institution conducts biennial assessment of tuition and fee levels
 7. Degrees conferred in high-need areas
 8. Programs reviewed under the criteria of SACS
 9. *Access to lower division courses
 10. Degrees conferred per full-time faculty
 11. Average progression and retention rates
 12. Undergraduate degree awards per FTE enrollment
 13. Increased number of transfer agreements
 14. Increase in degree-qualified transfers
 15. Dual enrollment of high school students
 16. Institutional commitment to economic development
 17. Research expenditures (three-year averages)
 18. Patents and licenses (three-year averages)
 19. Enhanced participation and cooperation in K-12
 20. Campus Safety 'Best Practices'
- * To be developed



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Restructuring Timeline

2005					2006					2007					2008														
J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
Restructuring Act/11 Goals																													
					BOV's commit to goals/six-year plans																								
					SCHEV develops Institutional Performance Standards (IPS)																								



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Restructuring Act/11 Goals					IPS incorporated into the Appropriations Act - Goal 12 added																								
					BOV's commit to goals/six-year plans					Institutions commit to targets																			
					SCHEV develops Institutional Performance Standards (IPS)					SCHEV develops six-year IPS targets																			



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					BOV's commit to goals/six-year plans					Institutions commit to targets					Institutions submit six-year plans														
					2006-07 Annual Enrollment/Graduates/Financial Aid Reporting																								
SCHEV develops Institutional Performance Standards (IPS)					SCHEV develops six-year IPS targets					SCHEV develops Statewide Strategic Plan					✓														



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Restructuring Act/11 Goals					IPS incorporated into the Appropriations Act - Goal 12 added					IPS revisions/campus safety standard in Appropriations Act																			
					BOV's commit to goals/six-year plans					Institutions commit to targets					Institutions submit six-year plans					Institutions update targets									
										2006-07 Annual Enrollment/Graduates/Financial Aid Reporting										Additional IPS Reporting									
					SCHEV develops Institutional Performance Standards (IPS)										SCHEV develops six-year IPS targets					SCHEV develops Statewide Strategic Plan ✓					SCHEV develops additional standards/updates targets ✓				



The Challenge of Restructuring

Access

Affordability

Student as consumer

Controlling Costs



Underrepresented Populations

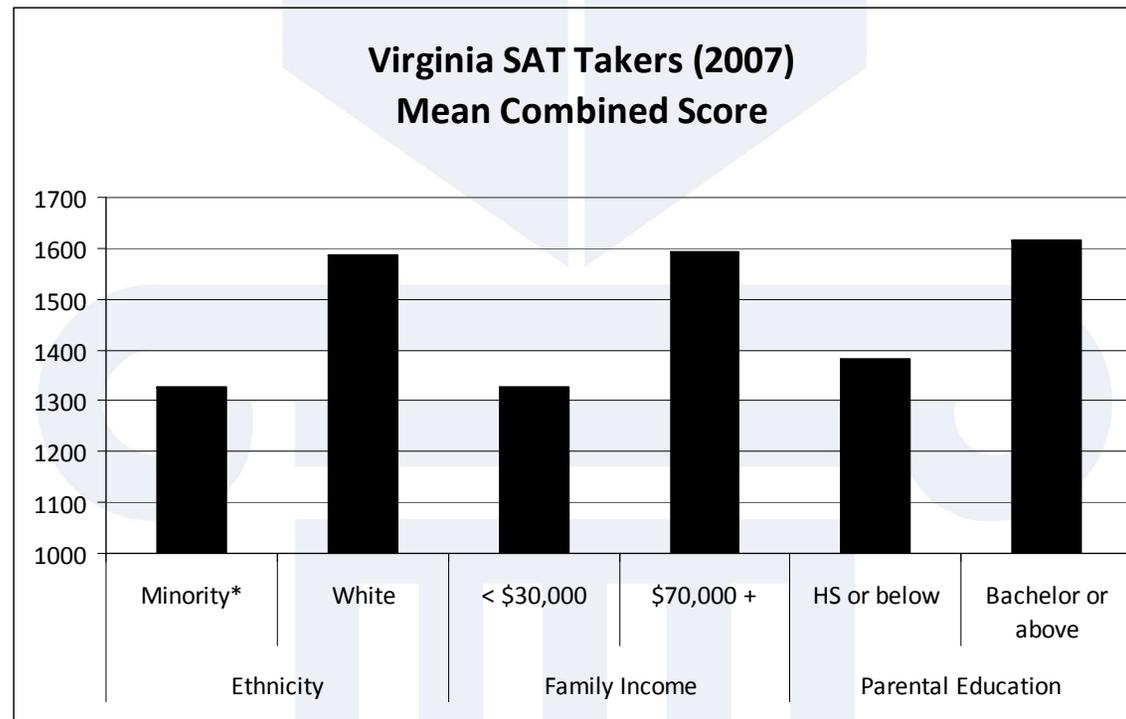
- Low-income families
- First generation in college
- From geographic areas with low college attendance
- Minorities



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Students from underrepresented populations

- Tend not to be as well prepared for college – SAT scores, on average, are lower



* Excludes Asian, Asian American, and Pacific Islander

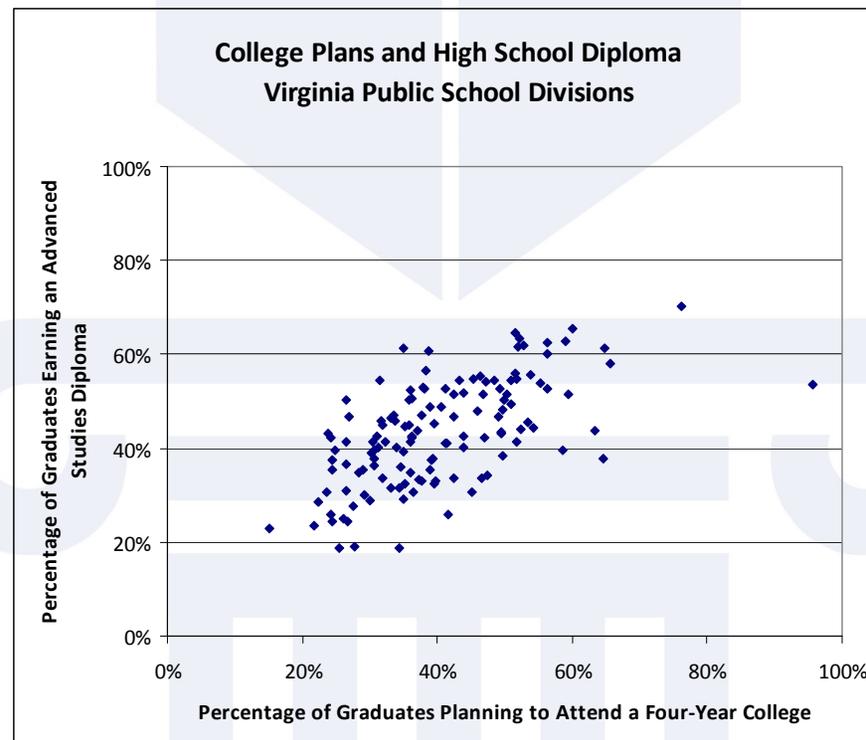
Source: 2007 College-Bound Seniors - State Profile Report – Virginia, College Board (www.collegeboard.com/prod_downloads/about/news_info/cbsenior/yr2007/VA_07.pdf)



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Students from underrepresented populations

- High school course work tends not to be as rigorous



Source: 2005-06 High School Graduates and Completer, Virginia Department of Education (<http://www.doe.virginia.gov/VDOE/Publications/grads/grad0506.html>)



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Lack of Preparation

- At risk of lower grades
- At risk of dropping out
- Tend to take lighter class loads
- Longer time to graduation which can increase cost of education
- At risk of high educational debt without earning a degree



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College Success – No Incentives for High Schools

- High School incentives
 - SOL's/NCLB
 - Parent ('helicopter') concerns
 - Reducing dropout rate and increasing graduation rate
 - More Advanced Studies Diplomas – in some cases
- Difficult for high schools to know
 - No formal feedback loop
 - Little analytical support in school districts



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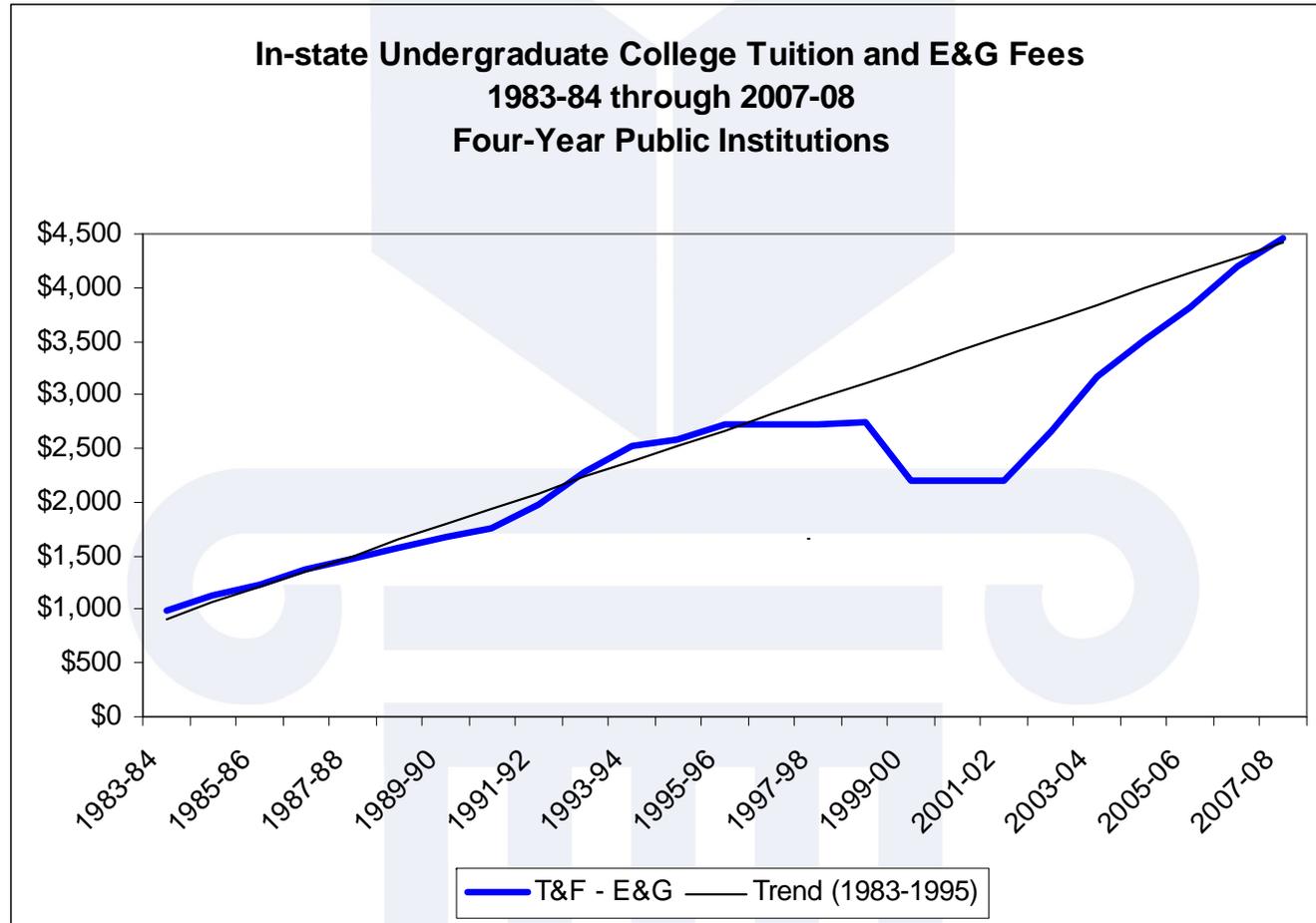
Affordability

- What does it cost?
- Who pays and how much?
- What do student actions tells us about affordability?



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What Does it Cost?

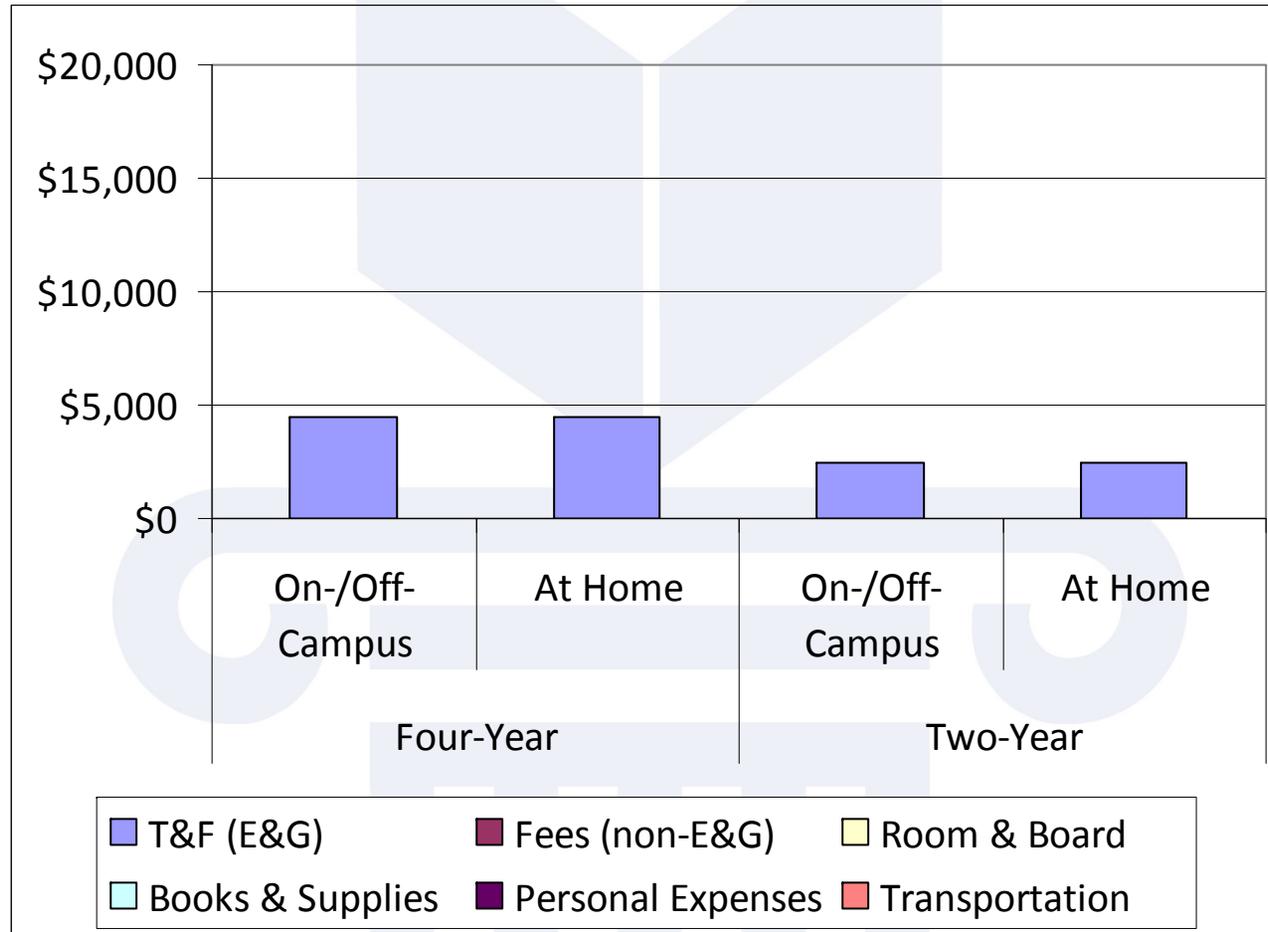


Source: *Tuition and Fees Reports*, SCHEV (www.schev.edu/reports/reports)



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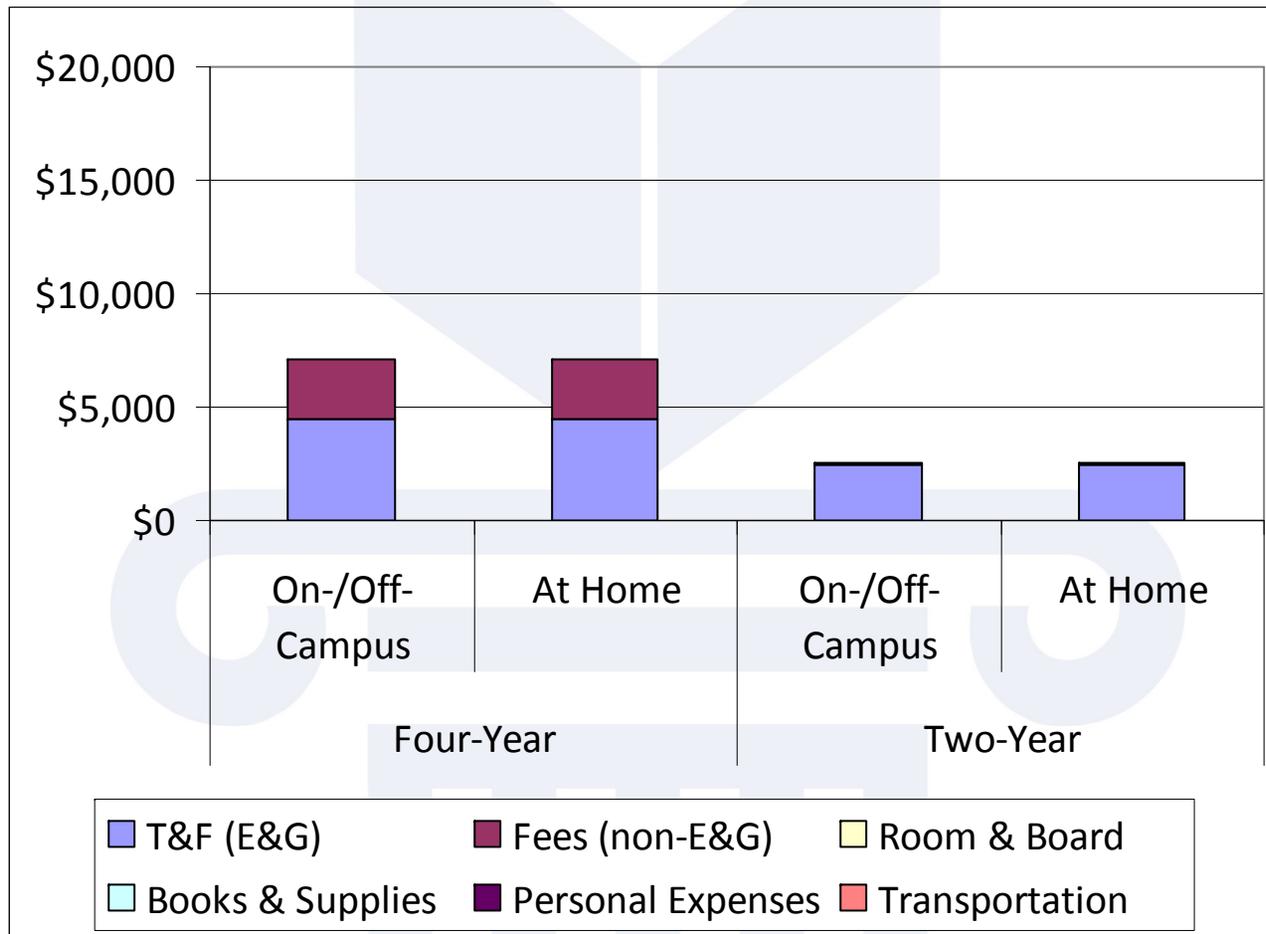
Total Budget





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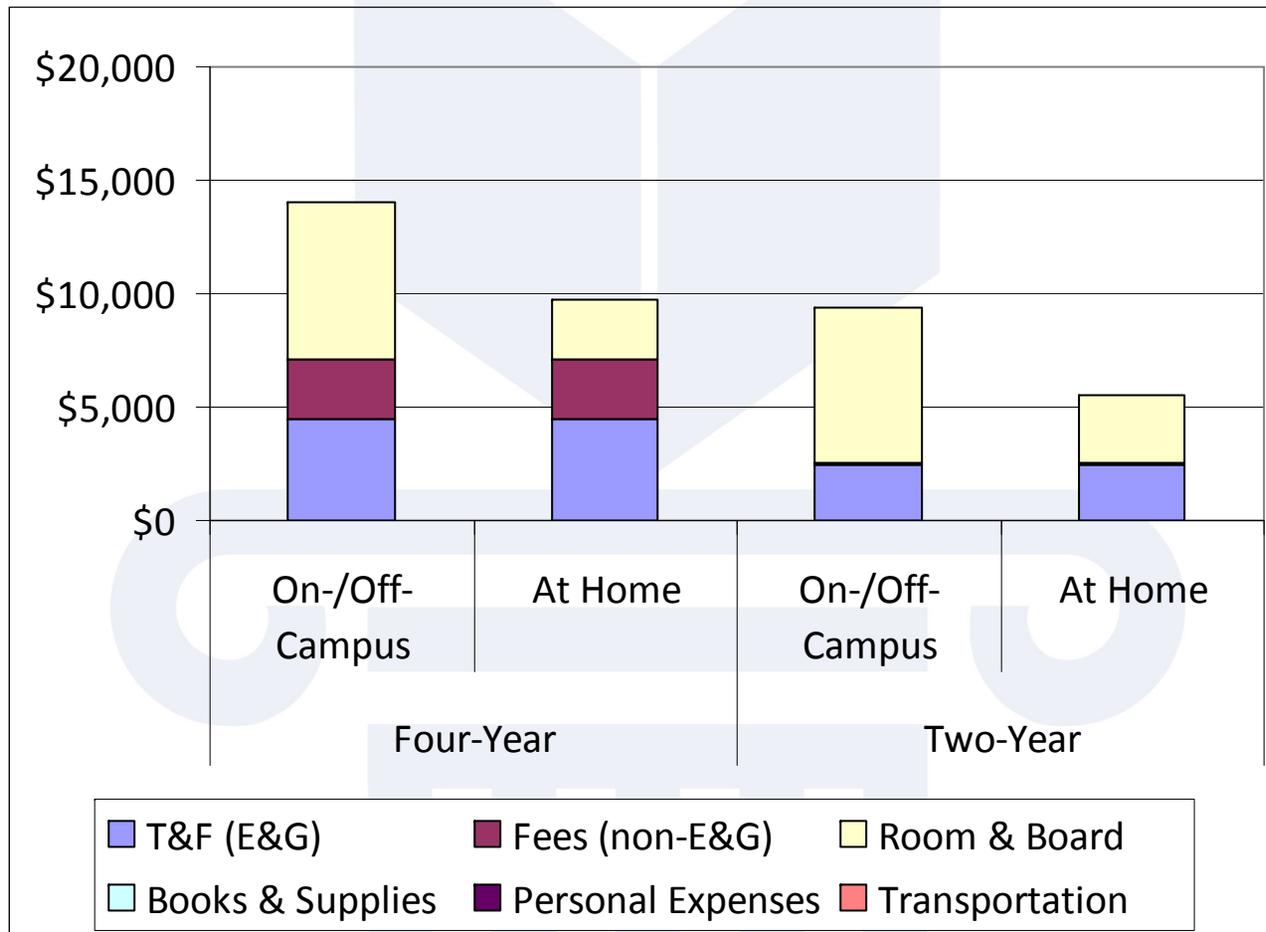
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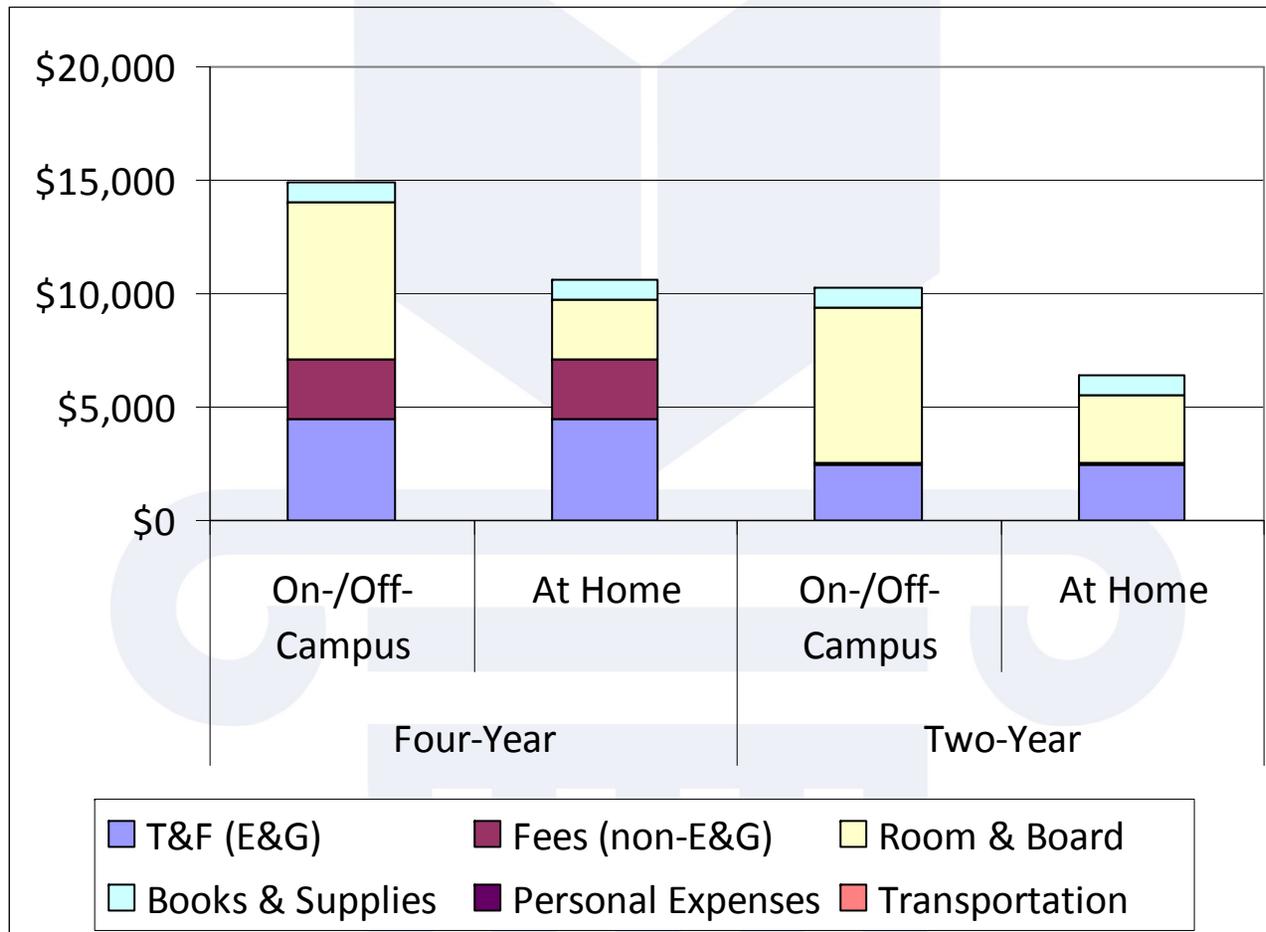
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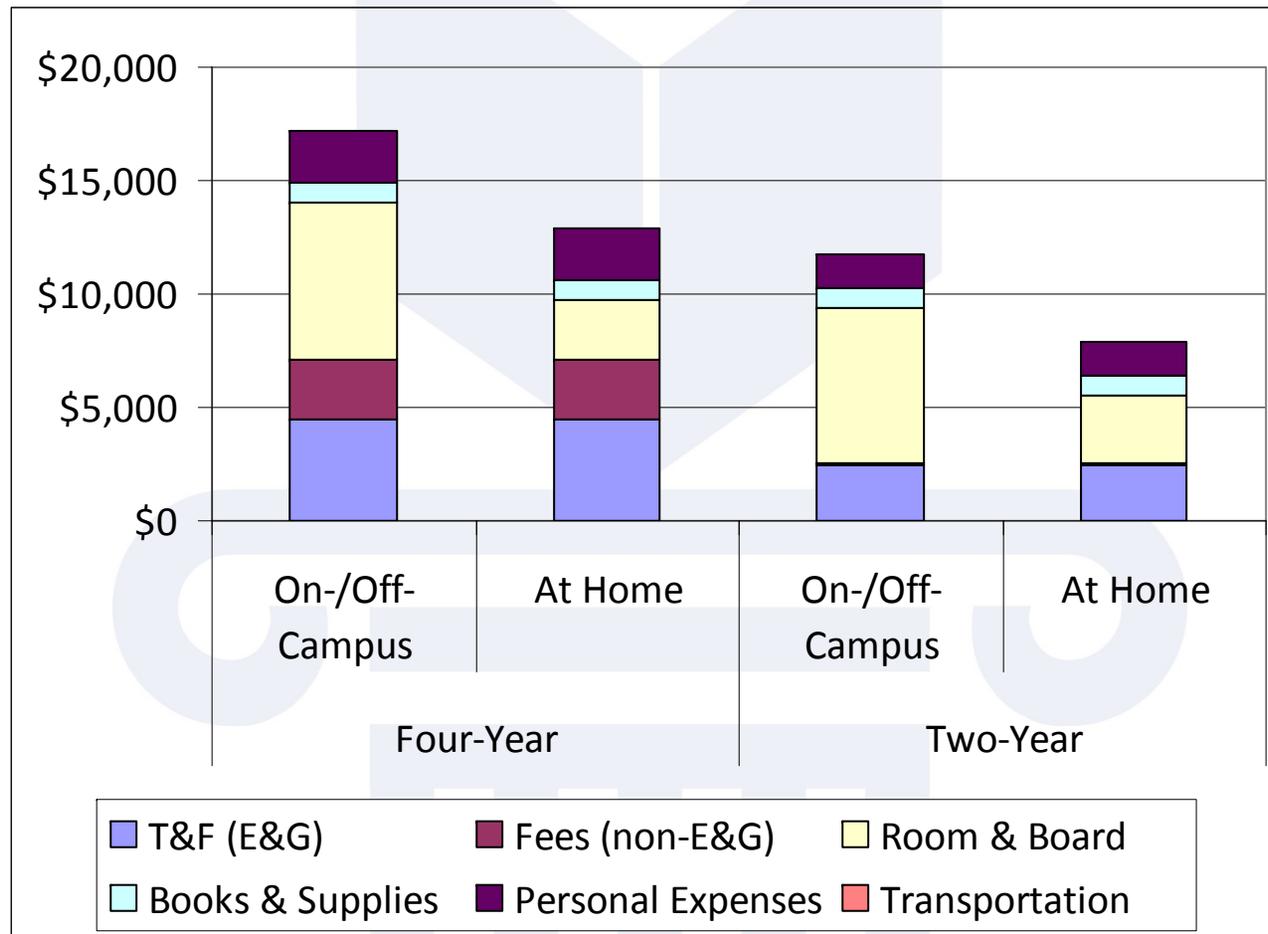
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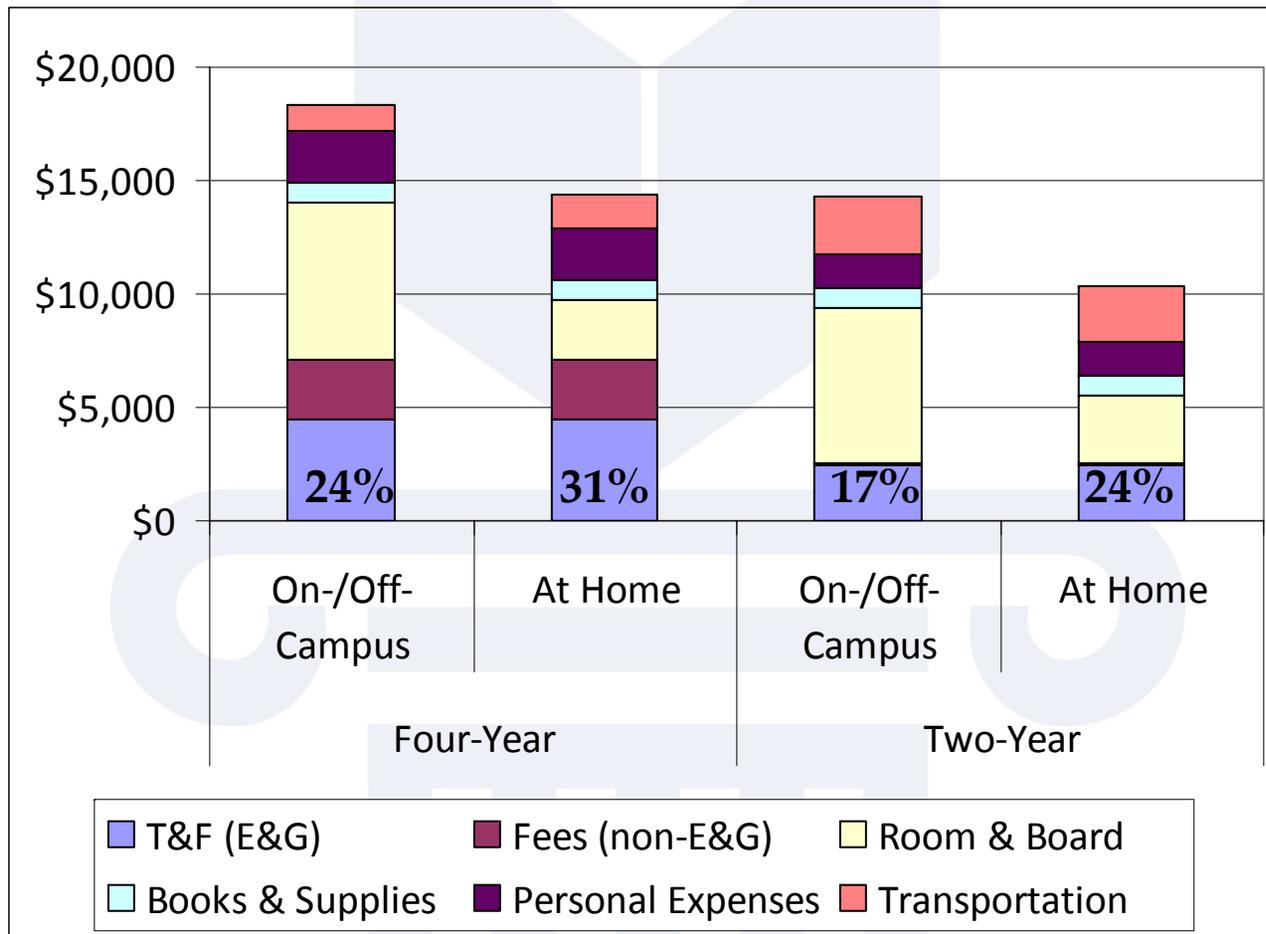
Total Budget





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Total Budget



Source: Tuition and Fees Reports, SCHEV (www.schev.edu/reports/reports)

2007 Trends in College Pricing, College Board (http://www.collegeboard.com/prod_downloads/about/news_info/trends/trends_pricing_07.pdf)



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Who Pays?

Virginia's Tuition and Fees Policy

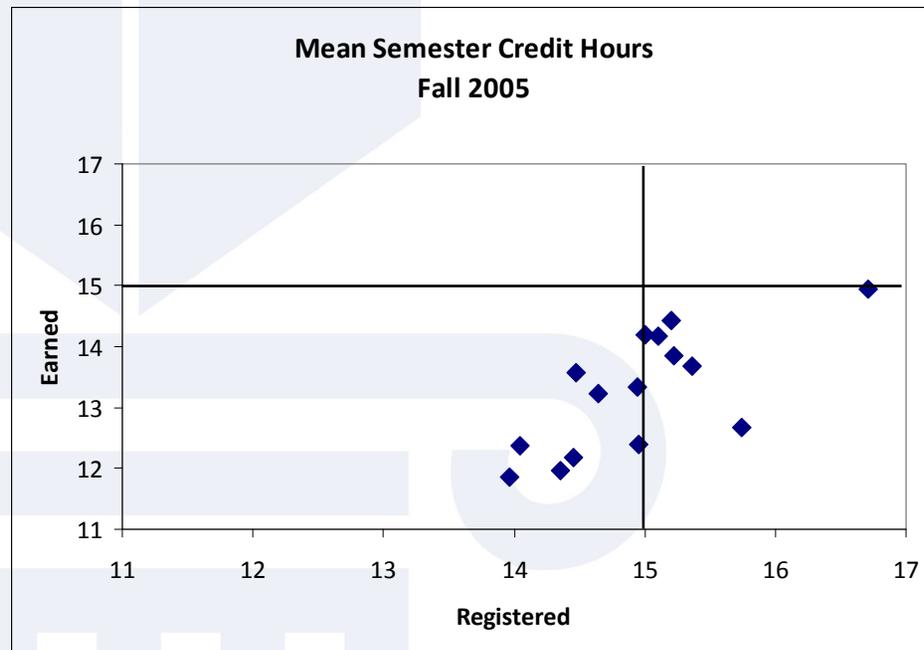
- 70%/30% Policy (included in-state and out-of-state)
- 100% out-of-state - 1992-94
- Joint Subcommittee on Higher Education Funding Policies (1998) purpose to reestablish funding guidelines
 - Base Adequacy Model – 2001
 - 67%/33% - 2004
- Because of the funding split between the state and student, full funding of the model and to achieve the 60th percentile in faculty salaries over six years would require an average annual tuition and E&G fee increase of approximately 5-8%



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Student Actions

- Students at eight of the four-year institutions registered for less than 15 hours on average
- At all but one, students earned less than 15 hours on average



Source: *Course Enrollment Data File*, SCHEV



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Why?

- Some students earned credit (AP and dual enrollment) before entering college - a semester or more is possible, but unusual at most institutions
- Allows more time for the social experience
- Earn better grades
- Weak preparation
- Work – but is it worth it?
- Significant cost implications to students – financial aid implications to state



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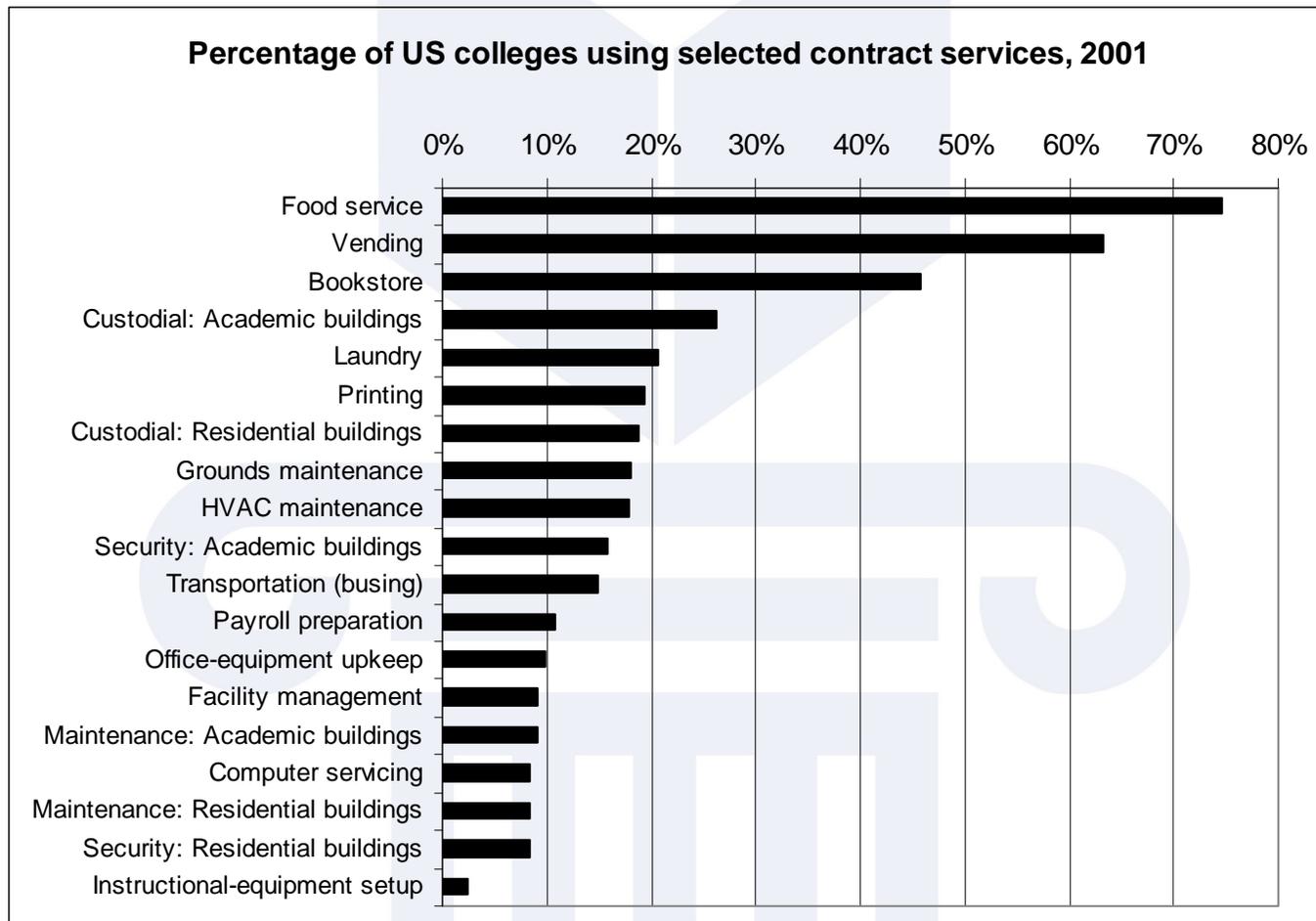
Student as 'Consumer'

- 1990's saw a fundamental change in thinking about the student
- Today, the student is treated as a consumer and the product is education
- Student as consumer places more demands on the institution
- Students have higher expectation of services – housing, food, access, and other accommodations



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Controlling Costs

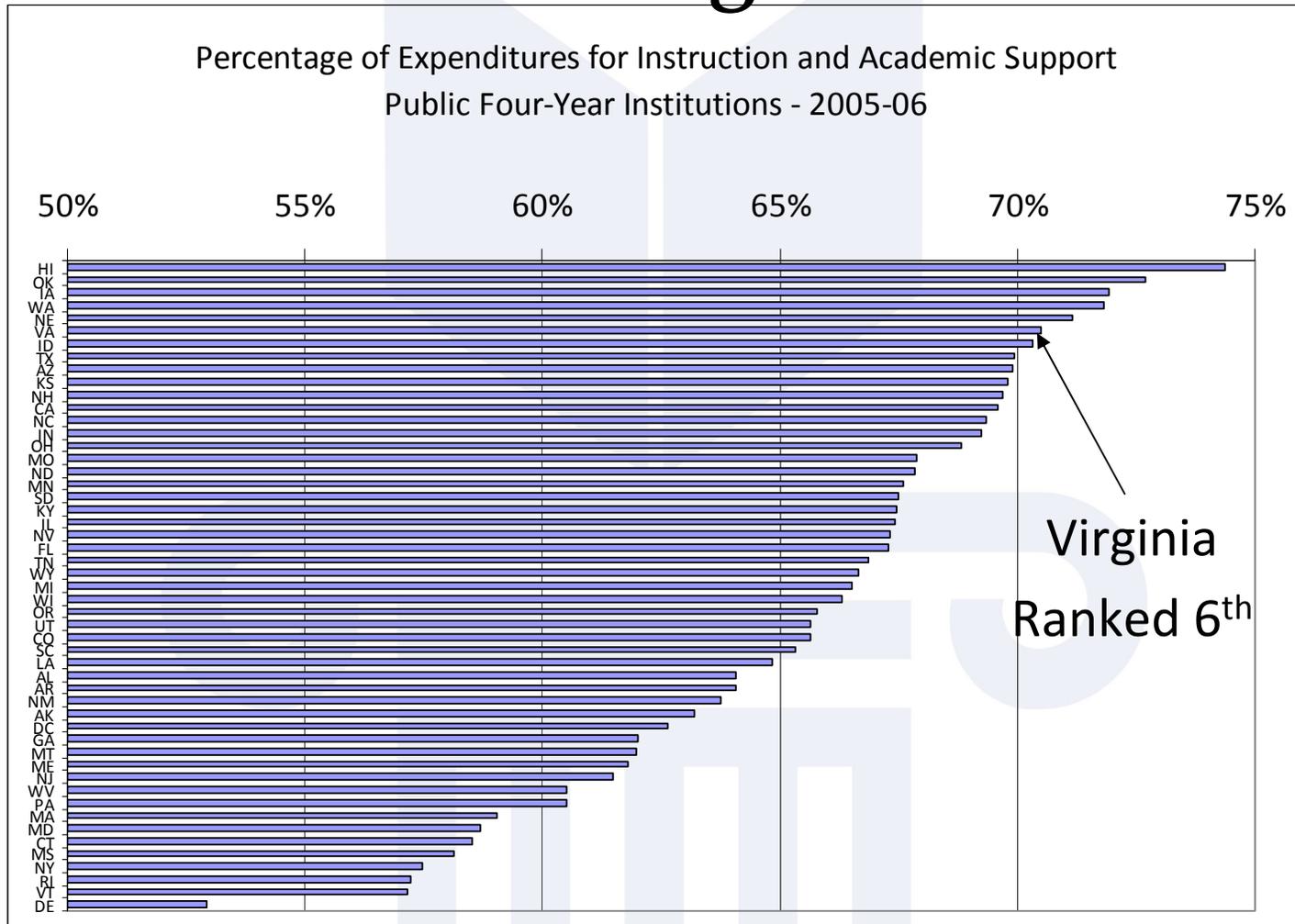


Source: *Keeping it Close to Home: Privatization Study*, American School & University (asumag.com/contract_services/university_privatization_study_keeping/)



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Controlling Costs

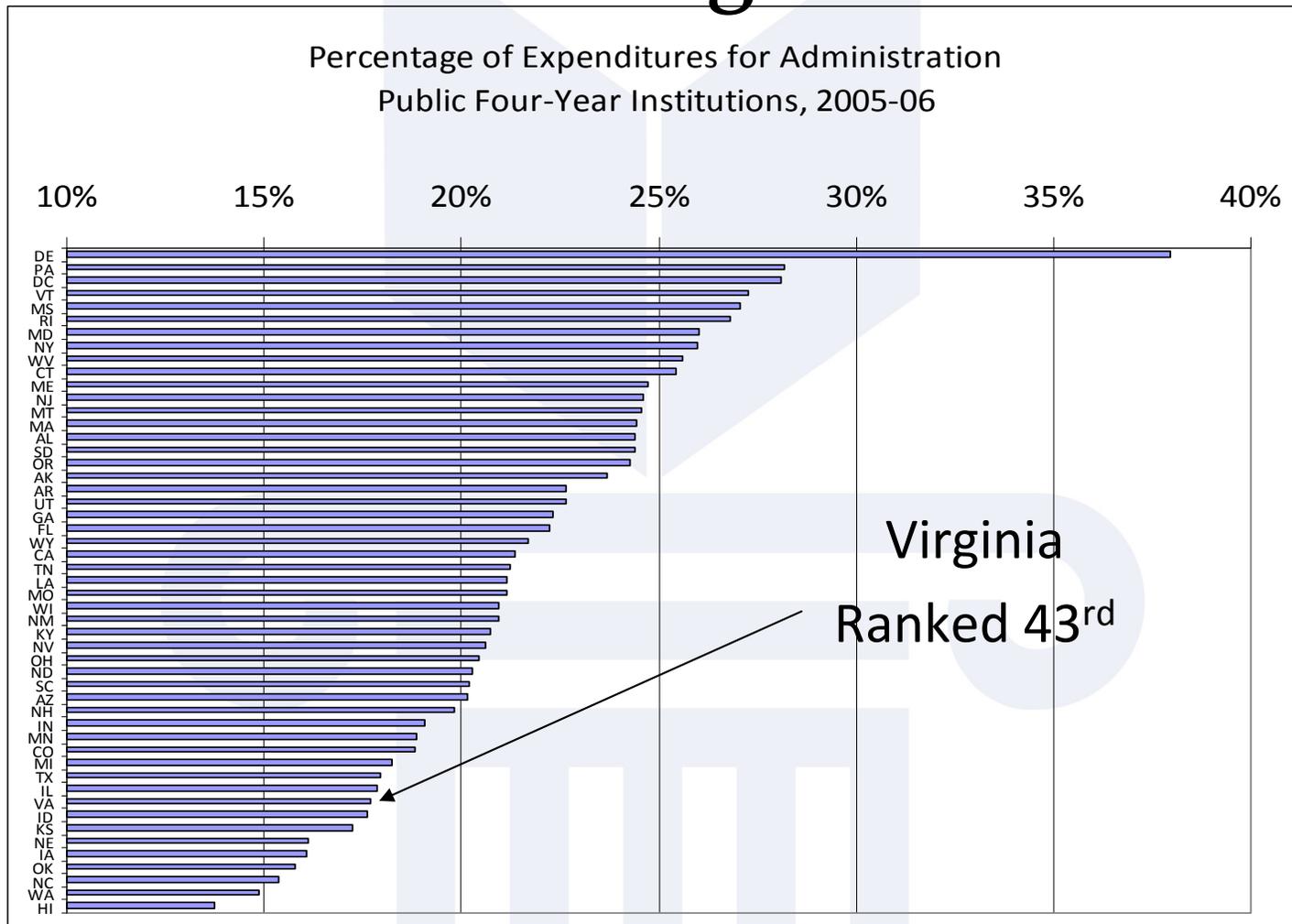


Source: Finance Data, Fiscal Year 2006, IPEDS



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Controlling Costs



Source: Finance Data, Fiscal Year 2006, IPEDS



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Summary and Next Steps

House Appropriations Committee Retreat

November 13, 2007

Daniel J. LaVista
Executive Director
SCHEV



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Going Forward with Concepts Contained in the Restructuring Act

- Meet demands of SCHEV's coordinating function
 - Organize and implement reporting schedule and guidelines
 - Serve as resource to institutions and executive and legislative branches
 - Improve communication process – answer “How are we doing?”
 - Boards of Visitors meetings
 - Newsletters
 - Advisory committee briefings
 - Council meeting reporting
- Keep priority goals in focus – connections to other state initiatives
 - Access and the P-16 Council
 - Student retention/degree awards and economic development



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Going Forward with Restructuring

- Develop remaining measures
 - Measure 4 – define affordability
 - Assess impact of tuition and fees net of financial aid on applications and enrollment
 - Access to 100- and 200-level courses
 - Refine reporting on goal 12 – campus safety



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Going Forward with Six-Year Planning

- Integration of Higher Education Strategic Plan with six-year planning process
 - Access
 - Alignment
 - Investment
- Review institutional progress toward state goals and performance gaps with policy leaders
 - Legislative retreats
 - Reports to the General Assembly, the Secretary of Education and the Governor
 - SCHEV advisory committees



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Measuring Success with Restructuring

- Demonstration of measurable success on performance indicators and benchmarks related to the 12 state goals
 - Annual certification process
 - Council member and staff involvement
- Use of institutional mission distinctions in setting performance standards – dialog between institutions and Council members and staff
- Reliance on the importance of institutional growth and development, all the while contributing to state goals
 - Economic development in rural, transitional areas
 - Commonwealth Education Roundtable goals for K-12 leadership development



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Measuring Success with Restructuring

- More public confidence in higher education performance and investment
- View restructuring as “work in progress”
 - Develop remaining measures and performance standards
 - Strengthen process with 2nd cycle of certification
 - Determine impact of tuition and fees on access
 - “Song sheet” similarity: value of increased freedoms and increased alignments to the state and the institutions



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